Bountiful Power: Rates staying put

Sarah Ryther 18.DEC.07

BOUNTIFUL — With energy rates going up and up, Bountiful City is doing everything possible to keep power bills stable for residents. And their efforts mean that Bountiful's power rates will remain the same, at least for now.

According to Allen Johnson, director of Bountiful City Light & Power, the city's power rates will remain the same for this budget year, which ends through June 2008. Between now and June, the City plans to study power costs and ultimately determine whether rates will need to be raised next budget year.

In a recent meeting, Johnson explained to the council that the power market has drastically changed over the past few years and will continue to change in the coming months.

One of the biggest changes the city is facing is the expiration of a long-time contract with Idaho Power.

This expiration coupled with the rising energy costs have forced the city to juggle its power options and to purchase power from various entities.

Johnson also explained that power rates fluctuate during different times of the year, making it difficult to determine how much power is actually needed. This presents a problem; if too much power is purchased, the city will lose what it has invested in the power and if too little is purchased, the city will struggle to meet power needs.

"We can't buy all that we need because if we have too much then we have to sell the power for a much lower rate," Johnson said. "We have to determine how much electricity we're going to use next summer, winter and the following summer. So, we're trying to manage how much electricity we're going to actually use."

According to Allen, with the way the power market is changing, the city will need to continually study the market, year after year.

"We're out actively looking for more long-term potentials to meet our needs," Johnson said.

He also noted that the city is looking into renewable energy, but that renewable energy poses its own set of problems.

"Everybody would like to have renewable power, but it would have to be reliable and cost effective," he said. "Residents expect to have power at all times, and businesses and hospitals need power to operate."

The city will address whether power rates are to change when planning for the 2008 budget year.

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